

new fixed guide way systems. Funds are allocated on a discretionary basis. Current projects are identified with the Federal Register 2/3/2006. Any future Section 5309 funding must be amended into the STIP.

Section 5310 program funds are used for capital purposes only. Vans and other equipment critical to providing transportation services for elderly and persons with disabilities are purchased through this program. The Rural Transit Assistance Program (RTAP) is designed to provide training, technical assistance, research, and other related support services for rural transit operators. Section 5309 funds are for capital purposes and may be utilized for both rural and urban areas. Program funds are used extensively throughout the state. The Section 5310 will be required to have a local plan before funds can be programmed.

In general, the KYTC receives applications from areas and agencies for the FTA program funds. These applications describe the needs for public transit funds (type of service needed, etc.), the funding required, and local matching sources. The KYTC allocates the money based on several factors including potential ridership, area to be served, availability of services, etc. Each agency is accountable to the Cabinet for the allocated funds. Monthly reports, site visits and compliance reviews, vehicle inspections, drug and alcohol testing, timely invoicing, and audits are among the monitoring activities the Cabinet performs.

With regard to transit project identification, the KYTC advertises annually for competitive proposals for Sections 5310 and 5311 in newspapers of statewide circulation, as well as relying heavily upon past experience to develop the transit element of the FY 2007-2010 STIP. Since the passage of TEA-21, the KYTC has been cognizant of the many opportunities for combining highway and transit funding for individual projects and programs, and fully expects to take advantage of these opportunities in the future. Kentucky's MPOs are seriously studying transit options for addressing metropolitan traffic issues, and are engaged in the project prioritization efforts which truly represent a multimodal approach to overcoming the problems of urban congestion.

Planned transit improvements are listed in Appendix A, Exhibit A-8.

## **7. Human Service Transportation Delivery Process**

Welfare reform legislation has greatly influenced changes in the Human Service Transportation Delivery (HSTD) Process. This process/program utilized combined transportation resources of the Health and Family Services Cabinet and Workforce Development Cabinet to provide a coordinated network of transportation providers to provide safe, efficient, and accessible transportation for Kentucky's health, human service, and workforce program clients.

Medicaid, Vocational Rehabilitation, and Department for the Blind funds will flow from the two human service cabinets to the KYTC for operating funds for providers and administrative funds for the KYTC to manage the program.

The Commonwealth is divided into ten Human Service Transportation Delivery Regions. This division was based upon items such as operating authority, fleet sizes and capacities of existing providers, and historical transportation utilization.

Through the use of a financial consultant, the Cabinets developed a “capitated rate” payment system, essentially a flat rate (a fee paid per member, per month). This will reward providers for operating efficiency, discourages over utilization, and significantly reduces fraud and abuse. Some parts of the program will be paid on a fee-for-service basis.

There will be one broker/provider per region who must provide needed transportation or will be responsible for securing transportation from other providers. The KYTC will contract with the transportation brokers on behalf of all the programs. A Coordinated Transportation Advisory Committee (CTAC) includes representatives of each of the different programs and will monitor the programs’ interests in the network. The KYTC staff will monitor the brokers to make sure they operate as CTAC agrees. Details of each trip will be recorded by the broker/provider and will be used to report program results to state and federal agencies.

In order to fully implement this program, two accomplishments were needed. One was getting legislation passed (HB468 and HB488) which requires brokers/providers to meet safety standards, and the other was getting emergency regulations signed so this initiative can actually begin operation. This legislation has been passed and the emergency regulations are signed.

## HUMAN SERVICE TRANSPORTATION DELIVERY PROCESS

The Kentucky Transportation Cabinet/Office of Transportation Delivery receives \$51,200,000 from the Department of Medicaid to finance the transportation brokerage for Human Service Transportation Delivery non-emergency medical transportation. The Department of the Blind and Vocational Rehab reimburses the transportation broker at the local level and does not flow through the Transportation Cabinet. Each funding stream meets the respective Program requirements. Public Transit, Vocational Rehab, Department of the Blind, and non-emergency medical trips are coordinated at the transportation broker level.

## FINANCIAL INFORMATION

Fiscal Year 2005	\$51,200,000
Fiscal Year 2006	\$51,200,000
Ridership over 2,600,000 annually	

## **8. Planned Aviation Improvements**

The Airport Improvement Program (AIP) was established by the Airport and Airway Improvement Act of 1982 (Title V of the Tax Equity and Fiscal Responsibility Act of 1982, Public Law 97-248), and amended by the Airport and Airway Safety and Capacity Expansion Act of 1987, (Public Law 100-223), and the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century of 2000 (AIR-21). Current legislation supports and